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6 February 1959

MEMORANDUM FOR: Chief, Operational Services

SUBJECT : Cold War Planning

REFERENCES :

- A. Memorandum for DD/P, dated 2 January 1959, from Chief SE, subject "Clandestine Service Cold War Planning System"
- B. Memorandum for DD/P, dated 26 January 1959, from Chief PPC, subject "Clandestine Service Cold War Planning System"
- C. Memorandum for DD/P, dated 4 February 1959, from Chief PPC, subject "Preliminary Estimates and Operational Programs Instructions"

1. I have read over with some care Reference C, which reached me only recently. Its arrival prompted me to re-read []'s memorandum (part of Reference A.) and []'s answer thereto (Reference B.) My experience as Chairman of the Project Review Committee also has some relevance to this matter. Accordingly, although I have not had an opportunity as yet to discuss the whole subject of the planning cycle with the Chief PPC or with anyone else, I am setting down herein a few preliminary comments and conclusions. These will be somewhat disjointed as I have made no effort to weave them into a well constructed paper on the subject.

2. I realize instructions should go out soon to permit the timely submission of Operational Programs for Fiscal Year 1960. I am also well aware that our planning procedures with all their ramifications in the Comptroller's Office and the PPC are complex and that comprehensive changes in these procedures would be time consuming and require much coordination. Nevertheless, I am strongly opposed to the indefinite postponement of desirable changes merely on the ground that they will be too disrupted or will interfere with inexorably established routines. Moreover, if any changes in these instructions would really serve to simplify the programming activity and render it less burdensome, I am sure the changes can be made quite promptly if there is goodwill and if we are not too cumbersome about it. Accordingly, I believe these instructions should receive prompt review by interested parties and that we should be prepared to make at least the easier changes that may appear to have merit.

DOC	10	REV DATE	26-5-81	BY	006/99
ORIG COMP	-	OP	38	TYPE	01
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3. Messrs. []'s and []'s suggestions in Reference A. refer to all four of the programming documents now employed in the planning cycle: (a) the Clandestine Services general plan, (b) preliminary estimates, (c) operational programs, and (d) related mission directives. I will first offer my comments on the third of these documents since the preparation of operational programs for 1969 is a task that immediately confronts us. My general views are as follow:

a. I am inclined to disagree with Reference A. that the operational programs should be eliminated or even limited to brief narrative explanation of major changes in emphasis from what was forecast in the initial planning estimates. I believe there should be one paper in the programming cycle in which each Division Chief is asked: to give his appraisal of prevailing circumstances in his area; to evaluate the performance of the preceding year; to indicate major obstacles he expects to face in the forthcoming year; and to indicate what will be the main direction and emphases of the Division's program for the forthcoming year. It seems to me, moreover, that such a paper cannot be written intelligently even twelve months before the beginning of the year to which it refers let alone eighteen months before that date. Accordingly, I believe this paper should be prepared not more than six months before the beginning of the period to which it refers. This should make possible submission of operational programs by the Divisions sometime in February and for submission by the DD/P to the PAC beginning no later than 1 March.

b. With respect to the narrative content of these papers (the operations and activities statements) I believe that the outline in Appendix C of Reference C. is a very complete and helpful guide to the various draftsmen. On the other hand, it seems to me to err in requiring or at least suggesting a rather massive document. I believe therefore that Appendix C should be amended to make clear that the outline therein contained is suggested and that the only firm requirement placed on the Divisions is to cover the four main points listed under "Format I" in Appendix C. The Divisions should even have the option of omitting certain individual country statements entirely with the statement that there is nothing of interest to discuss. Finally, I believe the Divisions should be

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vigorously encouraged to keep the whole operations and activities statement within a length of not more than ten pages for the large Divisions and eight or less for the smaller ones.

4. Turning now to the statistical summaries required with the operational programs, I have to confess that I am appalled by Appendix D of Reference C, just as I have been appalled for four years by the documents submitted to the PRC. I must hasten to confess that I have not been able to make any detailed study of Appendix D because this would have required time consuming and detailed examination of actual forms. I am absolutely convinced, however, that the financial and other personnel data now submitted to the DD/P, the PRC and finally the D/DCI and DCI are poorly selected to serve as the basis for managerial control and are far too voluminous for this purpose. After all, the purpose of statistical summaries of financial and personnel plans is to enable policymakers to observe trends, to see how total costs are divided between major activities, to estimate whether overhead costs are an excessively high percentage of total cost, and to make other similar judgments. For this purpose it has never seemed to me that the breakdown of totals between vouchered and unvouchered funds has any significance whatsoever. Moreover, I believe the arrangement by columns tends to be more confusing than helpful. It may, indeed, be desirable to break out certain truly non-recurring items which disappear from year to year. On the other hand the heading "priority items" in my experience does not mean what it says; instead it is used as a designation of costs that are new in any accounting period in the sense that they have not been previously incurred. I obviously cannot attempt myself to give here a thoughtful or a perfectly complete critique of these tables but I would be willing to place a sizeable bet that they bear little resemblance to those by which a business activity is controlled. Accordingly, it is my view that even at this late date in the process a quick look should be taken to see if the, cannot be compressed greatly for the purpose of the FY-1960 operational programs. This would give us time to aim at a full reconstruction (if that be necessary) for FY-1961.

5. For the sake of completeness I will comment briefly, especially concerning References A. and B. on certain other phases of the programming cycle, beginning with the preliminary estimates. I believe these merit, in the nature of things, be highly meaningful documents. Moreover, I am

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unhappy about a procedure which treats the preliminary estimates as basic documents, subject only to rather superficial amendment one year later in order to become operational programs. This sequence of product, if truly followed by the Divisions, causes the latter to do their solid thinking about the program for, say, FY-1961 during the autumn of calendar year 1958. Then in theory these papers are taken out of the files a year after they were finished, dusted off, modified here or there and then are treated as the basis for review and guidance by top management. I submit that the operational programs should be freshly produced when they are needed and that our objective should be to render the preliminary estimates as brief, quick to prepare and generally painless as possible. Accordingly, it is my view that nothing like the forms submitted in Reference C. are appropriate. Instead I would have an extremely short form like that proposed by Mr. [] in Reference A and I would attach thereto a narrative explanation of only three or four pages in length. This would yield a single compact document for the whole DD/P area which could be read and comprehended by the DD/P and would be as valuable as any program can be that far in advance. As to the timing of the preliminary estimates, I share Mr. [] view expressed in Reference B, that they should be submitted in time to be reviewed and modified as necessary before the call for preliminary budget figures twelve months prior to the beginning of the Fiscal Year. I would hope, however, that abbreviated submissions of the sort I have here suggested could be made no more than two months before budget figures are needed (that is four to six months before the beginning of the fiscal period).

6. I would like to discuss with you immediate steps we could take to permit the preparation of FY-1960 operational programs to be started. It is my present belief that we should agree on a list of individuals in the Clandestine Services to be consulted either separately or in a meeting as to their views and that thereafter PFC be asked to make whatever quick modifications in their procedures which seem desirable.

cc: COPS-DD/P
A-DD/P-PP

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